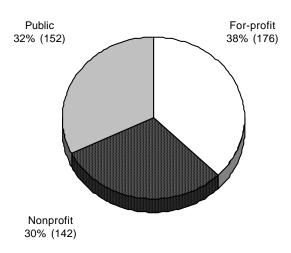
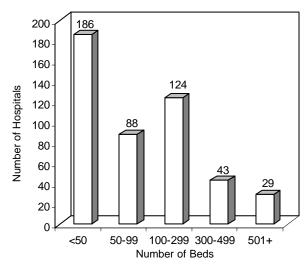
Texas Acute Care Hospitals Fact Sheet

Acute Care Hospitals by Ownership Type Texas, October 2002



- There were 470 Texas acute care hospitals as of October 2002.
- Thirty-eight percent of the Texas hospitals were owned by for-profit (investor-owned) organizations.
- The majority of for-profit hospitals (89%) and nonprofit hospitals (77%) were located in metropolitan (urban) areas.
- The majority of public hospitals (76%) were located in non-metropolitan (rural) areas.

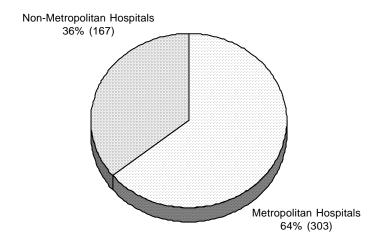
Acute Care Hospitals by Licensed Beds Texas, October 2002



- Fourty percent (186) of the hospitals had less than 50 hospital beds.
- Of the total 71963 hospital beds in the state, 20% were public hospital beds, 46% were nonprofit hospital beds and 34% were for-profit hospital beds.
- Average number of beds per acute care hospitals in the state was 153.
- Average number of beds for the following types of hospitals were:

| <i>Metropolitan</i> 206 | Public | 96 |
|-------------------------|------------|-----|
| Non-metropolitan56 | Nonprofit | 231 |
| | For-profit | 140 |

Acute Care Hospitals by Location Texas, October 2002



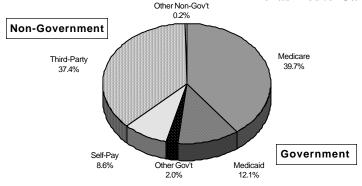
Source:

- Sixty-four percent of Texas Hospitals were located in metropolitan areas.
- Of the 167 non-metropolitan area hospitals 69% were public, 19% were nonprofit and 12% were for-profit hospitals.
- Of the 303 metropolitan area hospitals, 52% were forprofit hospitals, 36% were nonprofit and 12% were public hospitals.
- Metropolitan area hospitals operated 87% of the 71963 beds in the state; non-metropolitan area facilities operated the remaining 13%.

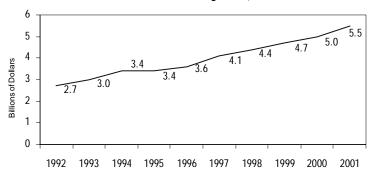
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2002 Directory of Active Hospitals, Bureau of Licensing and Compliance, Texas Department of Health; Hospital Tracking Database; Office of Health Information and Analysis-DDM, Texas Department of Health.

Gross Patient Revenue by Payor Source Texas Acute Care Hospitals, 2001



Uncompensated Care (Bad Debt and Charity) Texas Acute Care Hospitals, 1992-2001



- Uncompensated care increased from \$2.7 billion in 1992 to \$5.5 billion in 2001.
- In 2001, 39% of the uncompensated care was provided by public hospitals, 40% was provided by nonprofit hospitals, and 21% was provided by for-profit hospitals.
- Charity care accounted for 51% (2.8 billion) of total uncompensated care.

Inpatient Utilization Texas Acute Care Hospitals, 1992-2001

| | Admissions Total (in millions) | Inpatient Days Total (in millions) | Average Lenght of Stay (in days) | Utilization Rate Per 1,000 Population | Staffed Bed Occupancy Rate (%) | Licensed Bed Occupancy Rate (%) |
|------|--------------------------------------|--|---|--|---|--|
| 1992 | 1.94 | 11.9 | 6.2 | 676 | 55.8 | 45.6 |
| 1993 | 1.93 | 11.5 | 5.9 | 636 | 55.2 | 46.0 |
| 1994 | 1.95 | 11.1 | 5.7 | 604 | 53.6 | 42.6 |
| 1995 | 1.96 | 10.9 | 5.5 | 583 | 53.9 | 42.1 |
| 1996 | 1.99 | 10.7 | 5.4 | 559 | 53.7 | 40.7 |
| 1997 | 2.17 | 11.9 | 5.5 | 609 | 56.8 | 45.9 |
| 1998 | 2.23 | 12.1 | 5.4 | 610 | 57.0 | 44.9 |
| 1999 | 2.29 | 12.3 | 5.4 | 614 | 58.7 | 46.2 |
| 2000 | 2.35 | 12.4 | 5.3 | 612 | 60.2 | 48.0 |
| 2001 | 2.45 | 13.0 | 5.3 | 612 | 62.2 | 50.7 |

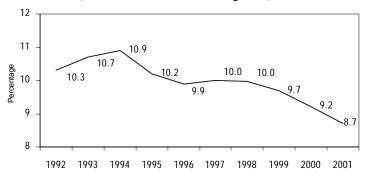
During the 10 year period between 1992 and 2001:

- Admissions increased by 26% and inpatient days increased by 9%.
- The average length of stay decreased by 15%
- The utilization rate decreased by 9%.

Source:

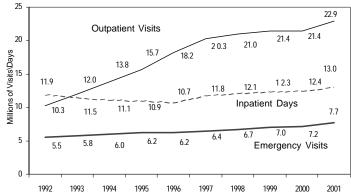
- Gross patient revenue or hospital billed charges based on hospitals reporting complete information on payor source was \$59.7 billion.
- Government payor sources including Medicare and Medicaid were responsible for 54% of the hospital billings.
- Medicare was the largest payor source accounting for 40% of the billed charges. Third party payors was the second largest payor source accounting for 38% of the billed charges.

Uncompensated Care as a Percentage of Gross Patient Revenue, Texas Acute Care Hospitals, 1992-2001



- One dollar out of every \$12 dollars billed for care in Texas acute care hospitals was attributed to uncompensated care.
- Uncompensated care as a percentage of gross patient revenue declined from 10.3% in 1992 to 8.7% in 2001.
- Uncompensated care as a percentage of gross patient revenue was 21% for public hospitals, 7% for nonprofit hospitals and 5% for for-profit hospitals.

Outpatient Visits, Emergency Visits and Inpatient Days Texas Acute Care Hospitals, 1992-2001



- Hospital utilization data indicate increasing use of outpatient services.
- Outpatient visits excluding emergency room visits increased by 122% while inpatient days increased by 9% between 1992 and 2001.

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• Emergency visits increased by 40% during this period.

2001 TDH/AHA/THA Annual Survey of Hospitals; Office of Health Information and Analysis-DDM, Texas Department of Health.